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Turkey

Fresh Deciduous Fruit

Annual Report

2007

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Report Highlights:

Apple and pear production in MY 2006 was severely damaged by frost and exports dropped drastically. but production is expected to bounce back in MY 2007, despite summer drought. MY 2007 Table grape output has been steady for several years.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

Executive Summary	3
Production	4
Apples	4
Table- 1: Production, Supply and Demand of Fresh Apples	4
Table Grapes.....	6
Table- 2: Production, Supply and Demand of Fresh Table Grapes	6
Pears	7
Table- 3: Production, Supply and Demand of Fresh Pears	7
Consumption.....	8
Apples	8
Table Grapes.....	8
Pears	8
Trade.....	8
Stocks	9
Policy	9
Table 1: Import Duties for Fresh Apples, Pears, and Table Grapes	9
Marketing	9
Export Trade Matrices.....	10
Table- 1: Export Trade Matrix for Fresh Apples	10
Table- 2: Export Trade Matrix for Fresh Table Grapes	11
Table- 3: Export Trade Matrix for Fresh Pears	12

Executive Summary

Turkey is among the top deciduous fruit producing countries in the world due to favorable weather and geographic conditions. Among the deciduous fruits, apples are the most economically significant crop followed by table grapes and pears. Even though most deciduous fruits are grown throughout the country the major commercial production areas are Central Anatolia, Mediterranean, Aegean and Marmara regions.

In MY 2006 apple and pear production were hit by frost during the blooming season and yields and production fell significantly. Export of apples decreased drastically to 9,000 MT from 37,355 MT in MY 2005. Pear exports were also affected and decreased about 50 percent.

In MY 2006, Iraq, Saudi Arabia, Romania and Germany continued to be the major export destinations for Turkish deciduous fruit exports.

In MY 2007 the production of apples and pears are forecast to bounce back to MY 2005 levels. Table grape production is also expected to be good and increase slightly from MY 2006 level. In parallel with better production, MY 2007 exports of apples and pears are also forecast to increase.

Production

Turkey's diverse climatic and geographic regions produces many fruit varieties, including many varieties of deciduous fruits. Among the deciduous fruits, apples are the most economically significant crop followed by table grapes and pears.

Apples

According to FAO data, Turkey is among the top ten producers apple producers in the. Apples are grown in many regions in Turkey but approximately 50 percent of all commercial apple production comes from three provinces; Isparta, Karaman and Nigde. They are located in the southern part of Central Anatolia and the Northern Mediterranean Regions. In addition to them, commercial apples are also grown in Antalya, Eregli, Denizli, Yalova and Amasya.

Table- 1: Production, Supply and Demand of Fresh Apples

Fresh Apples										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007	MM/YYYY
Area Planted	0	0	160240	0	0	162665	0	0	164000	(HA)
Area Harvested	0	0	160240	0	0	162665	0	0	164000	(HA)
Bearing Trees	36300	0	36294	36500	0	36443	0	0	36500	(1000 TREES)
Non-Bearing Trees	7000	0	7005	7000	0	7803	0	0	7000	(1000 TREES)
Total Trees	43300	0	43299	43500	0	44246	0	0	43500	(1000 TREES)
Commercial Production	2570000	0	2570000	2000000	0	2002033	0	0	2449820	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	2570000	0	2570000	2000000	0	2002033	0	0	2449820	(MT)
Imports	3057	0	2718	5000	0	5537	0	0	3000	(MT)
Total Supply	2573057	0	2572718	2005000	0	2007570	0	0	2452820	(MT)
Fresh Dom. Consumption	2409057	0	2406863	1880000	0	1898542	0	0	2322820	(MT)
Exports, Fresh	35500	0	37355	25000	0	9028	0	0	30000	(MT)
For Processing	128500	0	128500	100000	0	100000	0	0	100000	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	2573057	0	2572718	2005000	0	2007570	0	0	2452820	(MT)

About half of the apples grown in Turkey are Red Delicious (Starking) and about a third are Golden Delicious. Amasya is the primary local variety, which constitutes about ten percent of total production. Granny Smith, Fuji, Gala, Jonagold, and Braeburn varieties are becoming more popular.

Deciduous fruit producers are mainly small farmers. However, a few bigger commercial orchards were established in recent years, which use better quality seedlings and newer technology.

MY 2006 was a devastating year for apple producers as their crop was hit with frost. This led to very low yields and quality, and most of the crop did not meet importing countries' standards. According to data published by the Turkish Statistical Institute (TURKSTAT), in MY 2006 apple production of 2,000,000 MT was 22 percent lower than in MY 2005. Industry contacts, however, claim that the crop was even smaller than official estimates and that yields as low as 40 percent of normal.

In MY 2007 Turkey was hit with a severe drought, especially Central Anatolia. According to industry contacts the drought did not have significant effects on apple production but the quality was affected in some areas. In MY 2007, apple production is estimated to have bounced back to MY 2005 levels.

In addition to better weather conditions, better production techniques are also expected to improve yields and quality. In some major apple growing provinces, producers have installed drip irrigation system.

Table Grapes

Turkey has grown grapes for thousands of years. Grapes are grown in many regions throughout Turkey and they are a significant commercial crop.

Many different varieties of grapes are grown in Turkey. Seedless grapes are mainly grown in the Aegean Region. The Marmara Region produces grapes for wine production and for fresh consumption. The earliest varieties come from the Mediterranean Region. There are no official statistics about the breakdown of grape utilization; industry contacts claim that 40 percent of total production is used for fresh consumption. The rest is dried, utilized in pectin and its derivatives sector or used in the wine and spirits industry.

For more information about dried grapes, please see the Turkey Dried Fruit Annual at <http://www.fas.usda.gov/gainfiles/200706/146291378.pdf>

Table- 2: Production, Supply and Demand of Fresh Table Grapes

Fresh Table Grapes										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		06/2005	06/2005		06/2006	06/2006		06/2007	06/2007	MM/YYYY
Area Planted	258000	0	302000	258000	0	303816	0	0	305000	(HA)
Area Harvested	258000	0	302000	258000	0	303816	0	0	305000	(HA)
Commercial Production	2000000	0	2000000	1900000	0	2060167	0	0	2100000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	2000000	0	2000000	1900000	0	2060167	0	0	2100000	(MT)
Imports	328	0	333	500	0	206	0	0	300	(MT)
Total Supply	2000328	0	2000333	1900500	0	2060373	0	0	2100300	(MT)
Fresh Dom. Consumption	1850328	0	1843404	1750500	0	1908422	0	0	1950000	(MT)
Exports, Fresh	150000	0	156929	150000	0	151951	0	0	150300	(MT)
For Processing	0	0	0	0	0	0	0	0	0	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	2000328	0	2000333	1900500	0	2060373	0	0	2100300	(MT)

The frost seen in MY 2006 did not affect table grape production significantly, and production was slightly higher compared to MY 2005. Despite drought in most regions in the summer of 2007, industry sources state that MY2007 had a good start and production is forecast to up 2 percent.

Pears

Turkey grows many different varieties of pear that are harvested and marketed throughout the year. There are both domestic and foreign varieties produced in Turkey. The major varieties are Santa Maria, Akca, Mustafabey, Cassia, Williams, Ankara and Deveci.

Pears are also grown throughout the country, but are concentrated in the Southern Marmara, Northern Mediterranean, and Central Anatolia Regions, including Bursa, Yalova, Antalya, Ankara, Konya, and Burdur Provinces.

Due to frost, pear production in MY 2006 fell about 12 percent. In MY 2007 pear production is forecast to bounce back thanks to favorable weather conditions.

Table- 3: Production, Supply and Demand of Fresh Pears

Fresh Pears										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007	MM/YYYY
Area Planted	0	0	216000	0	0	209867	0	0	210000	(HA)
Area Harvested	0	0	216000	0	0	209867	0	0	210000	(HA)
Bearing Trees	10400	0	10400	10400	0	9955	0	0	10000	(1000 TREES)
Non-Bearing Trees	1740	0	1740	1700	0	1704	0	0	1700	(1000 TREES)
Total Trees	12140	0	12140	12100	0	11659	0	0	11700	(1000 TREES)
Commercial Production	360000	0	360000	320000	0	317750	0	0	350000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	360000	0	360000	320000	0	317750	0	0	350000	(MT)
Imports	318	0	139	500	0	321	0	0	140	(MT)
Total Supply	360318	0	360139	320500	0	318071	0	0	350140	(MT)
Fresh Dom. Consumption	332952	0	339466	295500	0	302179	0	0	330140	(MT)
Exports, Fresh	16866	0	10173	15000	0	5892	0	0	10000	(MT)
For Processing	10500	0	10500	10000	0	10000	0	0	10000	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	360318	0	360139	320500	0	318071	0	0	350140	(MT)

Consumption

Apples

Turkey consumes about 90 percent of apple production as fresh. It processes about five percent for juice, canned products, vinegar or dried products, and exports about one or two percent. The remainder is losses, which are added into domestic consumption in the production, supply and demand table.

Turkish consumers prefer medium-sized apples weighing approximately one kilo for 6 pieces. Turkish consumers usually prefer Red Delicious at the beginning of the season, but have a preference for Golden Delicious after the New Year. This is because Red Delicious apples become softer in a few months after they are harvested unless they are kept in the cold stores properly. Controlled atmosphere storage facilities, however, allow apples to be marketed during most parts of the year. Amasya apples can be marketed longer than Delicious without controlled storage facilities.

In MY 2007 apple prices in the bazaars and grocery stores, range from 1.50 YTL (~ USD 1.25) to 3.00 YTL (~ USD 2.50) per kilogram depending on the location and quality. During the same period in MY 2006, apple prices were between 1.25 YTL (~ USD 1) per kilogram and 2.50 YTL (~ USD 2) per kilogram. The increase is mainly due to higher quality of apples this year and also high cost of keeping the apples in cold storage during this time of the year. All apples sold in early autumn are marketed directly from the orchards.

Table Grapes

Industry sources estimate that about 40 percent of Turkey's grape production is consumed as fresh table grapes, about 35 percent is dried (including seedless sultana primarily for export markets and all other grapes), and about 15 percent is processed, primarily for wine production which is growing rapidly in recent years (about 10 to 12 percent annually). Grapes are also processed to produce raki, a traditional distilled alcoholic drink, juice, and vinegar. Of the share marketed as fresh grapes, 85 to 90 percent is consumed domestically, 8-10 percent is exported and the remainder is estimated as losses, which is added into the domestic consumption. Please see the Turkish Dried Fruit Annual for details about raisin consumption: <http://www.fas.usda.gov/gainfiles/200706/146291378.pdf>

Pears

About 90 percent of pears are consumed as fresh. Three to five percent are exported, two to three percent are canned, and the remainder is losses, which are added in to the domestic consumption.

Trade

Even though Turkey is among the top countries producing deciduous fruits, exports are not high compared to production. The major reason for the low export volume is the lack of new varieties which have become popular in many importing countries. The Turkish currency (YTL) has strengthened substantially against the USD and Euro; reducing price competitiveness.

In MY 2006 apple production and quality were damaged by frost during the blooming season and exports fell drastically. Yields fell 22 percent compared to MY 2005. but exports, however, fell by an estimated 76 percent. Much of the crop was not good enough for major export destinations. Pear production was also affected by the frost, and in MY 2006 exports fell 44 percent compared to the previous year. Table grape production and exports, however, were little affected and exports decreased only slightly.

In MY 2007 production of deciduous fruits is expected to bounce back to MY 2005 levels and exports are also expected to recover. The Middle Eastern and some European countries are the major importers of Turkish deciduous fruits. Iraq, Saudi Arabia and Egypt are the primary destinations for Turkish apples whereas Saudi Arabia, Romania and Germany are the major markets for pears. Table grapes are mainly exported to Russia, Ukraine and Germany.

Turkey traditionally imports small quantities of deciduous fruits during the off-season. Due to lack of supply of apples and pears, however, in MY 2006 apple and pear imports more than doubled. Imports are expected to return to traditional levels in MY 2007.

Stocks

Apples, as well as some pears and grapes, are stored in atmosphere- and climate-controlled storage facilities to extend the marketing season.

Policy

According to Foreign Trade Undersecretariat officials, the Turkish government seasonally has provided USD 40 per MT export subsidy to apple exporters. The subsidy, however, is not given in cash, but can be deducted from utility costs; such as electricity, water or can be deducted from taxes. The latest subsidy was provided between 1 December 2005 and 31 May 2006. Currently there are no official subsidies for apple exports.

There are no subsidies provided to pear and grape exporters.

Duties for imports of fresh apples, pears, and table grapes have not changed since they were announced on January 1, 2004.

Table 4: Import Duties for Fresh Apples, Pears, and Table Grapes

Product	Tariff Code	Duty (%)	Effective Date
Fresh Apples	0808.10	60.3	January 1, 2004
Fresh Pears	0808.20.10 & 0808.20.50	60.3	January 1, 2004
Fresh Table Grapes	0806.10	54.9	January 1, 2004

The Turkish government also provides direct income support payments of 100 YTL (~ USD 83) per hectare to all registered farmers. In addition to this, farmer who establish a fruit orchard using certified seedlings also receives support from the government. For the establishment of apple and grape orchards farmers are provided with 2500 YTL (~ USD 2,083) per hectare.

Marketing

Fresh deciduous fruits are sold domestically or exported through private traders and specialized marketing cooperatives.

Export Trade Matrices

Table- 1: Export Trade Matrix for Fresh Apples

Fresh Apples			
Time Period	July-June	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
Iraq	13,013	Saudi Arabia	2,331
Saudi Arabia	7683	Northern Cyprus	1783
Egypt	3692	Mersin Free Tr.	1435
Jordan	5205	Egypt	1242
Northern Cyprus	2798	Iraq	843
Russia	812	Jordan	597
Libya	396	Romania	348
Kuwait	342	Sudan	102
Sudan	213	Unt. Arab Emir.	72
Romania	173	Libya	63
Total for Others	34327		8816
Others not Listed	3028		212
Grand Total	37355		9028

Table- 2: Export Trade Matrix for Fresh Table Grapes

Fresh Table Grapes			
Time Period	June-May	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
Russia	72990	Russia	61274
Germany	23375	Ukraine	26543
Saudi Arabia	10826	Germany	15820
Austria	10087	Saudi Arabia	9987
Ukraine	9065	Austria	7548
Romania	8437	Netherlands	5434
Netherlands	7326	Romania	4654
Letonia	1768	Georgia	4565
United Kingdom	1159	Bulgaria	1410
Kuwait	786	Letonia	1121
Total for Others	145819		138356
Others not Listed	11105		13595
Grand Total	156924		151951

Table- 3: Export Trade Matrix for Fresh Pears

Fresh Pears			
Time Period	July - May	Units:	MT
Exports for:	2005		2006
U.S.	0	U.S.	0
Others		Others	
Saudi Arabia	3905	Saudi Arabia	2608
Romania	1518	Northern Cyprus	704
Germany	1229	Germany	626
Northern Cyprus	1054	Romania	401
Serbia	484	Macedonia	226
Russia	344	Netherlands	222
Netherlands	341	Moldova	191
Kuwait	203	Bulgaria	145
Macedonia	192	Austria	144
Greece	144	Russia	83
Total for Others	9414		5350
Others not Listed	759		542
Grand Total	10173		5892